



Special Report



*Core Skill Sectors and Industry Segments*

# **SIA NAPR 2019 US Physician Recruitment Industry Trends Survey**

## **Executive Summary**

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## Key Findings

- In aggregate, the physician recruitment firms reported 17% revenue growth in 2018. Retained firms reported 12% revenue growth and contingency firms reported 32% revenue growth during 2018.
- Across respondents, the mix of 2018 physician placements was highest in primary care, followed by internal medicine sub-specialties and hospitalists.
- The top three factors cited that drove success in securing placements were related to positive client trends, candidate marketing and process improvements.
- Survey respondents reported that 51% of physician placements were made into hospital settings, followed by 27% placed into private practice. The remaining physician placements were made into federal qualified health centers, contract management groups, academic and other settings.
- Across all recruitment organizations, job boards and email campaigns were cited as the most frequently used lead sources, followed by company website, referrals, cold calls and text messaging.

*Staffing Industry Analysts designed a benchmarking survey in conjunction with the National Association of Physician Recruiters (NAPR). NAPR members and other NAPR contacts were invited to participate.*

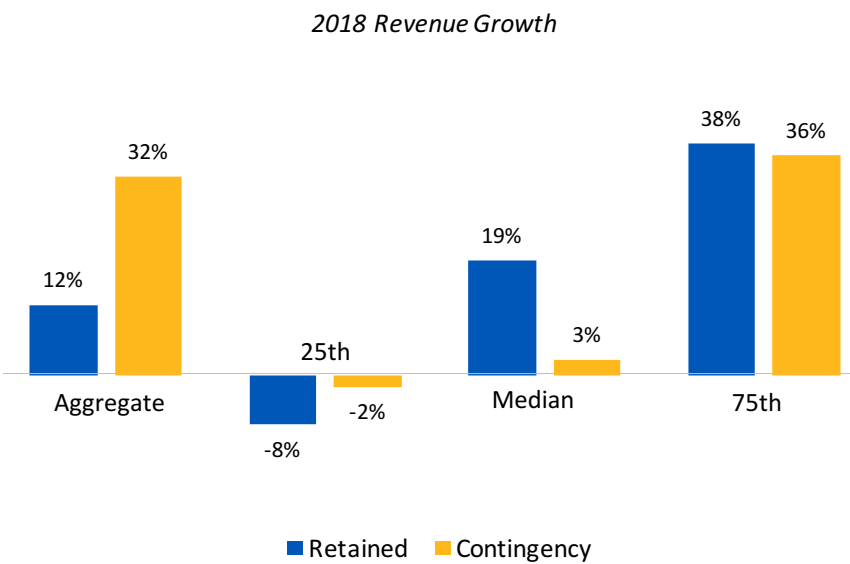
*Results are based on the information collected for the 2018 calendar year specific to the US physician search businesses. The 24 survey respondents represented 29% facility (in-house) recruiters, 33% retained firms (or hybrid model) and 38% contingency firms. The 17 responding recruitment firms represented \$60 million in search revenue in 2018.*

# Physician Placement Trends

## Physician recruitment revenue growth

In aggregate, physician recruitment firms reported 17% revenue growth in 2018.

- In aggregate, retained firms reported 12% revenue growth and contingency firms reported 32% revenue growth during 2018.
- As indicated by the range between the 25<sup>th</sup> and 75<sup>th</sup> percentile, growth varied greatly with some respondents experiencing double-digit growth and others experiencing single-digit contraction.



## Top factors driving success in securing placements

The top three success factors were related to client trends, candidate marketing and process improvements.

*In 2018, what top 3 factors drove your success in securing placements?*

Top Success Factors
Client retention, demand & responsiveness
Candidate marketing
Process improvements

- The most frequently cited client success factor mentioned was **client retention & loyalty**, followed by **demand growth in both new and existing clients**. Other client success factors included improved **client responsiveness and communications**.
- Within the candidate marketing success factors, **candidate sourcing tools and efficiency**, including **job boards and social media**, were cited most frequently, followed by **candidate referrals** from physicians and employees.
- The process improvement areas mentioned varied widely and included mentions of better **recruitment and candidate matching processes, customer service and customer relationship management technology**.

## Top challenges preventing success in securing placements

The top factors that impeded success were challenges associated with clients, candidates and geography.

- Respondents were asked to list the top three factors that impeded success in securing placements. The top four challenges were related to **clients, low candidate salaries, shortage of candidates** and **undesirable job locations**.
- **Uncompetitive candidate salaries and pay rates** were challenging to securing placements, especially given the **candidate shortage** experienced in the market.
- Placements were more challenging in **job locations** that were **less desirable or rural**.

*In 2018, what top 3 factors prevented your success in securing placements?*

Top Challenges
Challenges with clients/facilities
Candidate salaries - not competitive
Candidate shortage
Geography - job location not desirable

## Physician placements by specialty

Across all respondents, the mix of physician placements was reported to be highest in primary care (35%), followed by internal medicine sub-specialties (22%) and hospitalists (12%).

*Please provide 2018 physician placement data by specialty:*

Specialty	Facilities	Retained	Contingent	All
% Primary care	47%	34%	23%	35%
% Emergency medicine	0%	1%	0%	0%
% Internal medicine sub-specialties	11%	22%	33%	22%
% Hospitalists	24%	3%	7%	12%
% Surgery	3%	8%	6%	5%
% Anesthesiology	2%	1%	0%	1%
% Psychiatry	5%	1%	3%	3%
% Other	8%	31%	28%	22%



## Recruitment activities

**Facilities reported the highest placements-to-active monthly searches ratio (99%), followed by retained firms (65%) and contingency firms (7%).**

*Please provide physician recruitment operational data:*

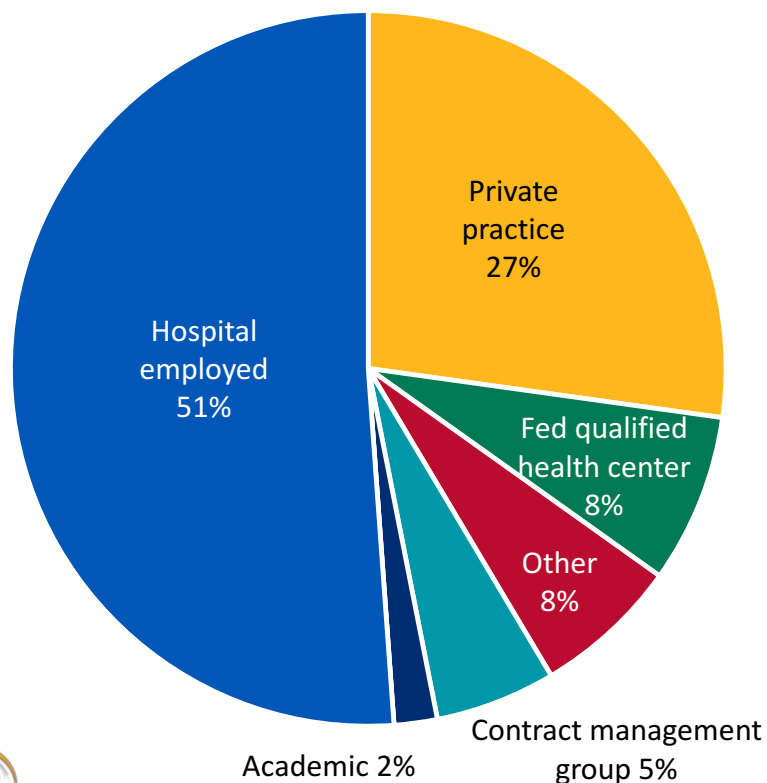
Metric	Facilities	Retained	Contingency	All
New clients	13	63	142	75
New active searches	11	66	1550	486
Active monthly searches	12	125	1099	448
Candidates submitted	93	985	3780	1439
Onsite interviews	27	296	776	337
Placements	12	82	80	61
Placements-to-monthly searches ratio	99%	65%	7%	14%
Placements-to-candidates ratio	13%	8%	2%	4%
Placements-to-interviews ratio	45%	28%	10%	18%
Interviews-to-candidates ratio	29%	30%	21%	23%

## Physician placements by employment setting

**Across all respondents, 51% of physician placements were made into hospital settings, followed by 27% placed into private practice.**

*Into which employment structures were physicians placed in 2018?*

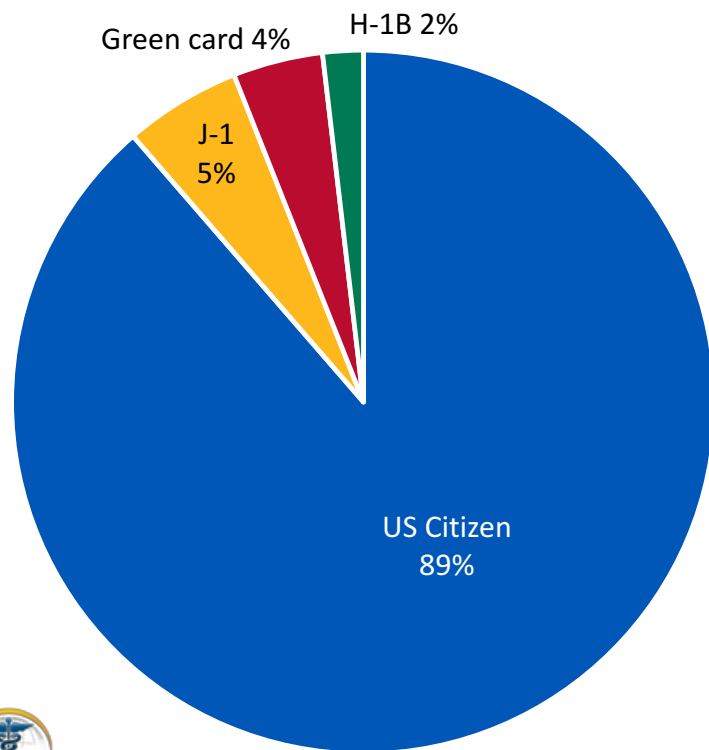
- Less than a quarter of placements were made into federal qualified health centers, contract management groups, academic and other settings.



## Physician placements by immigration status

**89% of physicians placed in 2018 were US citizens.**

*What was the immigration status of the physician placements in 2018?*



- In 2014, a lower percentage of physicians placed were US citizens (78% by facilities, 74% by contingency firms, 71% by retained firms).
- The percentage of physician placements with non-US citizen immigration status has declined to 11% across all respondents in 2018.

## Physician placements by setting recruited

**Facilities and retained firms reported that about two-thirds of physicians placed were already in practice, compared with contingency firms reporting about half of physicians placed already in practice.**

*Of the physicians placed in 2018, from which settings were they recruited?*

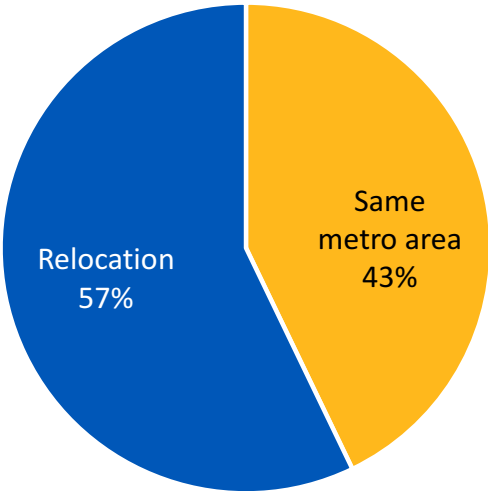
Organization	In Training	In Practice
Facilities	33%	67%
Retained	37%	63%
Contingency	49%	52%
Total	39%	61%

- Nearly half of physicians recruited by contingency firms were recruited from in-training residency or fellowship.
- Facilities and retained firms were more likely to recruit physicians who were already in practice.

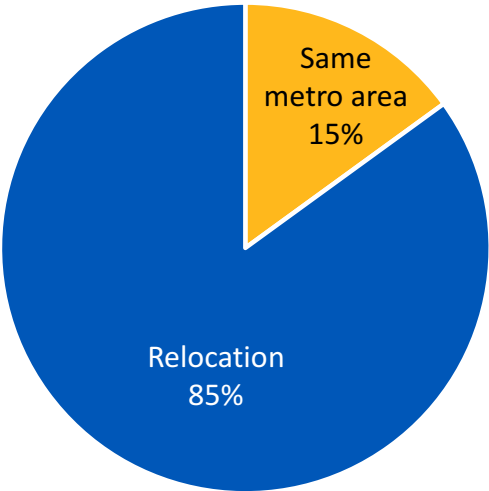
## Physician placements percentage of relocations

Retained and contingency firms reported handling a higher percentage of physician placements involving relocation compared with facilities. Search firms often handle searches for difficult to recruit specialties and/or remote geographies.

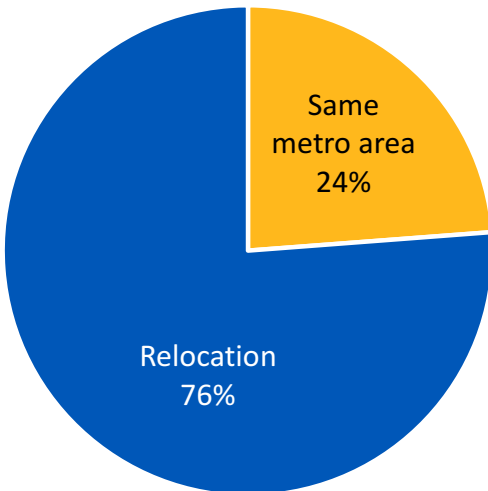
*Facilities*



*Retained*



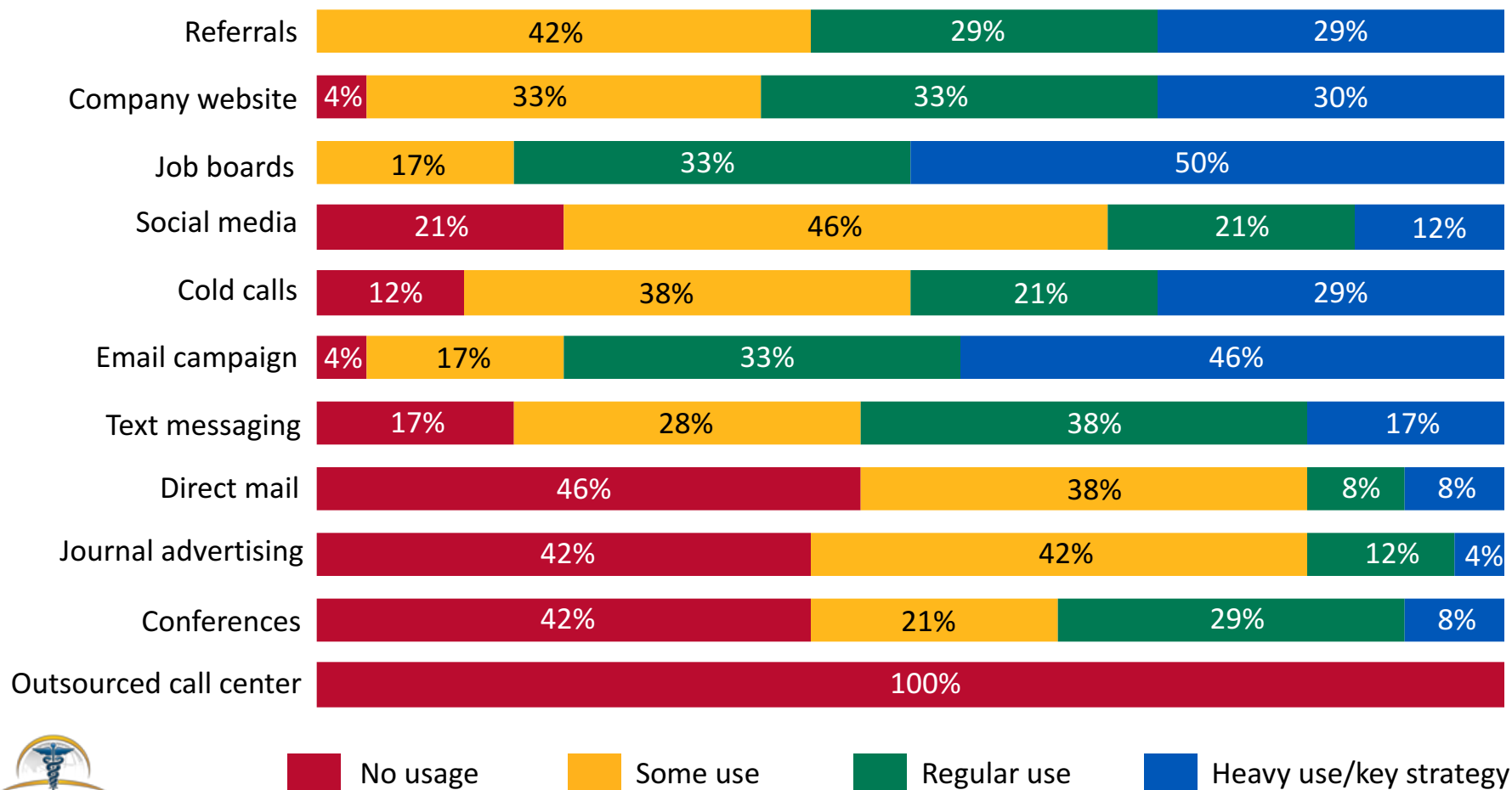
*Contingency*



# Physician Candidate Marketing

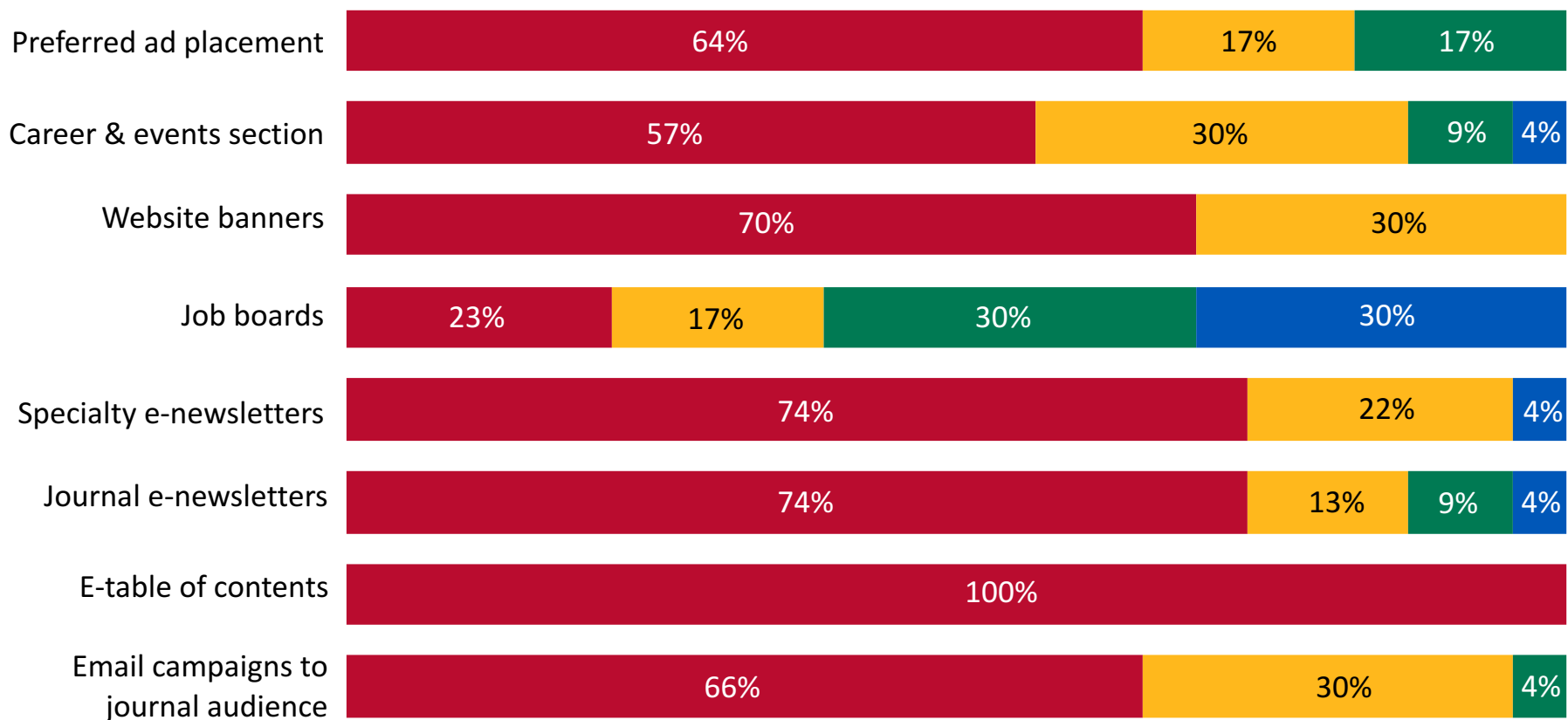
## Physician candidate lead source usage: all organizations

Across all recruitment organizations, job boards, email campaigns, company website, referrals and cold calls were reported as used most frequently.



## Physician candidates journal advertising feature usage: all organizations

Within journal advertising features, job boards, career & events sections, specialty and journal e-newsletters and preferred ad placements were reported as used most often by all organizations.





## Job posting placement in connection with professional content

**Over 70% of organizations responded that it is extremely important or important for job postings of highly specialized positions to be placed in connection with reputable professional-society or peer-reviewed content.**

*When recruiting for highly specialized positions, how important is it for your job postings to be placed in connection with reputable professional-society or peer-reviewed content?*

Rating	Facilities	Retained	Contingency	All
Extremely important	29%	50%	25%	35%
Important	57%	25%	25%	35%
Somewhat important	14%	25%	25%	22%
Not important	0%	0%	25%	8%
Total	100%	100%	100%	100%

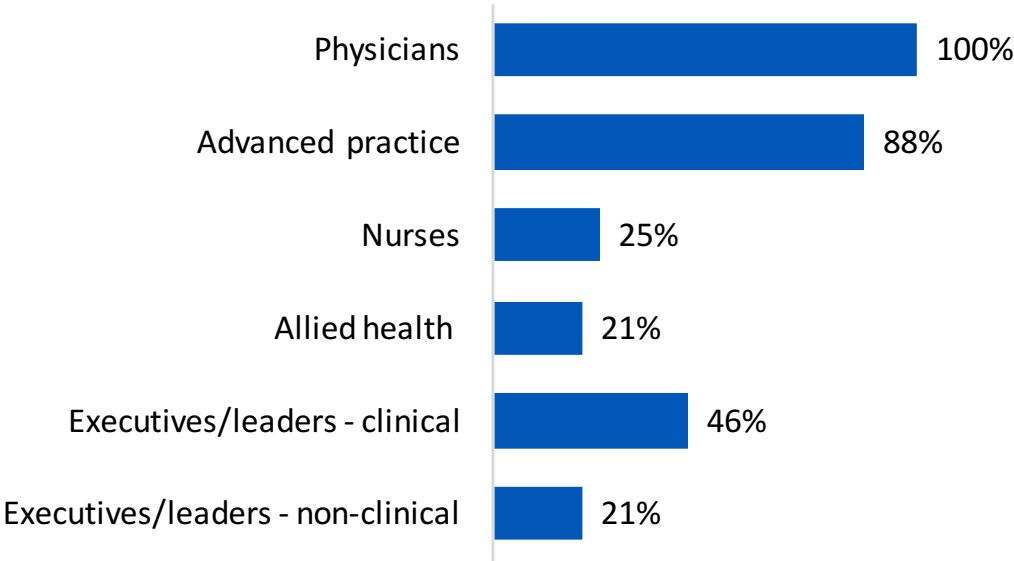
# Recruitment Organization Trends

## Occupations covered across all recruitment organizations

**Physician recruitment organizations recruit across a broader spectrum of occupations than just physicians.**

Many also recruit advance practice clinicians (i.e., nurse practitioners, physician assistants, etc.) and nearly half also recruit clinical leaders.

*Which occupations are your organization responsible for recruiting?*



## Recruitment organization alignment

### How physician recruitment organizations choose to align varies widely.

Recruitment organizations may choose to align by client, specialty or geography in order to serve clients and clinicians in a focused manner, or to leverage internal knowledge across specialties and geographies.

Survey responses showed retained firms were aligned most often by client (38%), followed by geography (25%) and specialty (13%). Contingency firms were aligned most frequently by specialty (45%), followed by client (22%). 29% of facilities were aligned by specialty.

According to survey responses, there was no particular alignment reported in 71% of in-house facilities, 25% of retained firms and 33% of contingency firms.

#### *How is your recruitment department organized?*

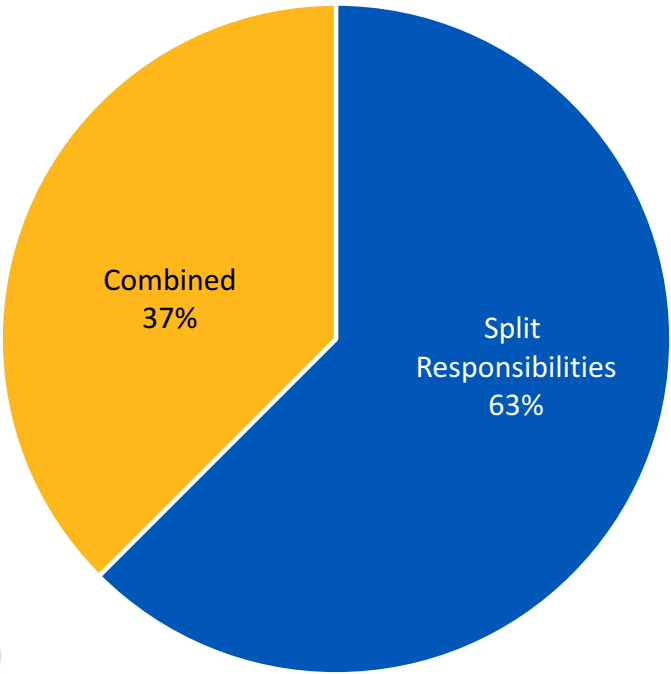
Alignment	Facilities	Retained	Contingency	All
Not niched	71%	25%	33%	42%
By specialty	29%	12%	45%	29%
By client	0%	38%	22%	21%
By geography	0%	25%	0%	8%
Total	100%	100%	100%	100%

## Recruitment and client marketing responsibilities

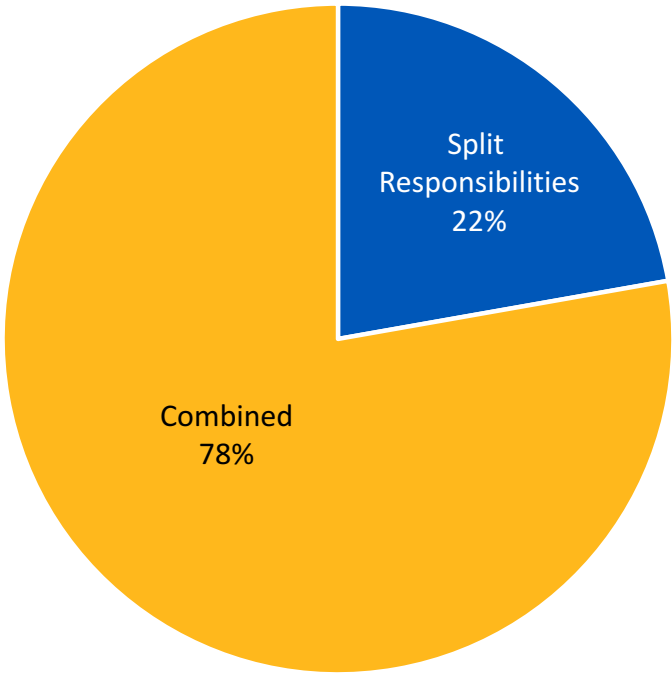
Nearly two thirds of retained firms reported having split responsibilities between client marketing and recruitment. In contrast, over three quarters of contingency firms reported the two functions being combined.

*Are your recruitment & client marketing responsibilities split?*

*Retained*



*Contingency*



# Recruiter Trends

## Average recruiter headcount and turnover

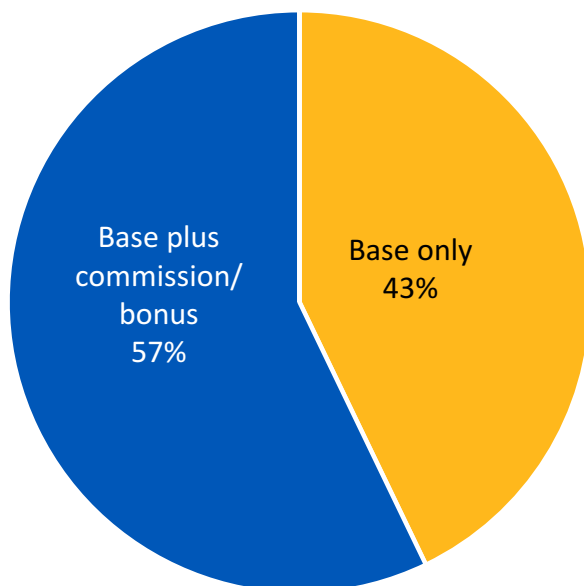
Across all respondent organizations, average headcount remained steady while the average turnover rate increased to 32%, up from 26% the prior year.

Description	All	
	2018	2017
Recruiter headcount - year end	6.5	6.6
Terminations (voluntary & involuntary)	2.1	1.7
Turnover rate	32%	26%

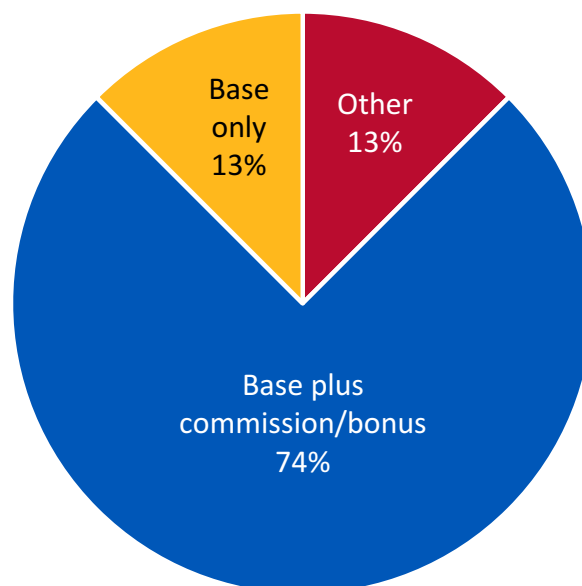
## Recruiter compensation structures

The most popular recruiter compensation structures reported were base plus commission/bonus plans. 44% of contingency firms reported having commission-only recruiters. The 'Other' category represented owners earning profit distributions.

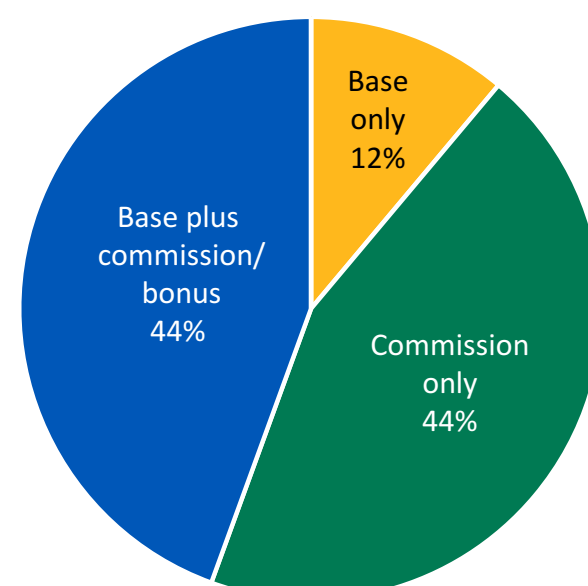
*Facilities*



*Retained*



*Contingency*



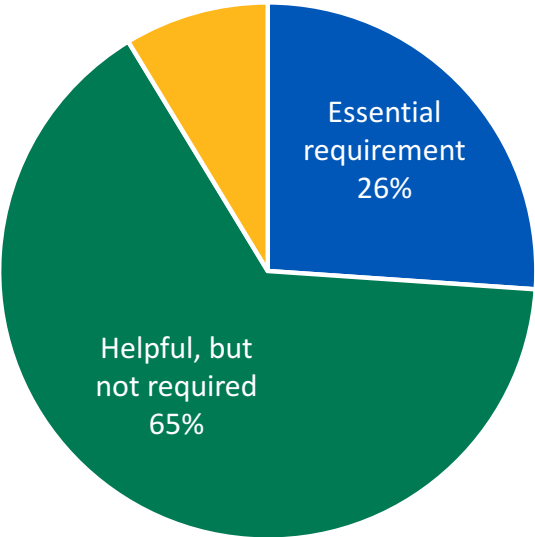


## Desired experience in recruiters: all organizations

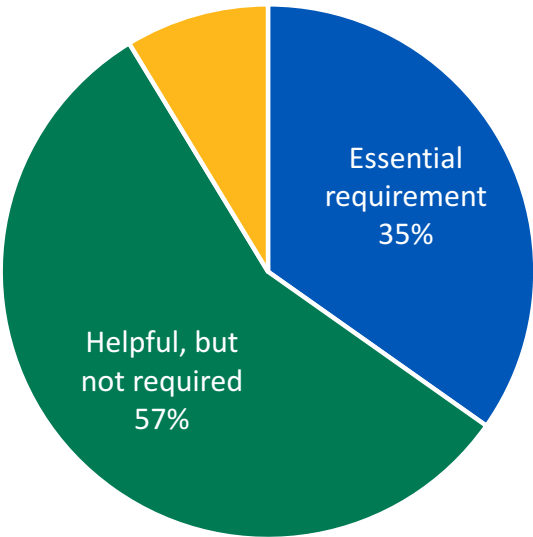
Across all organizations, previous experience in healthcare, recruitment and/or sales was reported as being considered helpful, but not necessarily an essential requirement.

*To what degree are the following important when hiring recruiters?*

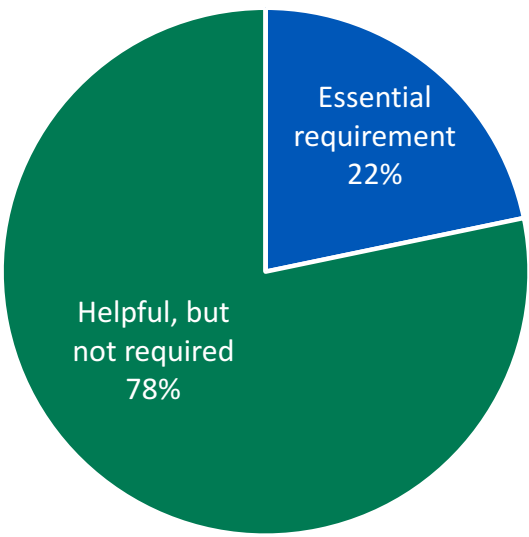
*Previous experience in healthcare*



*Previous experience in recruitment*



*Previous experience in sales*

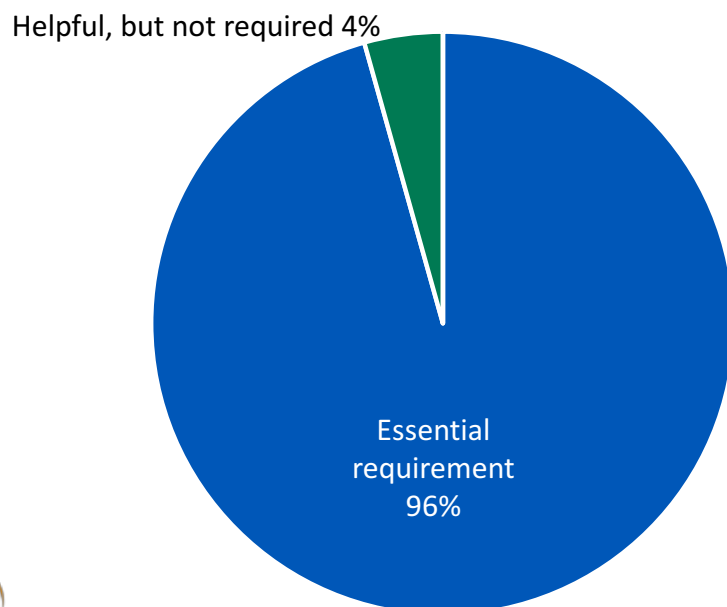


## Desired experience in recruiters: all organizations (continued)

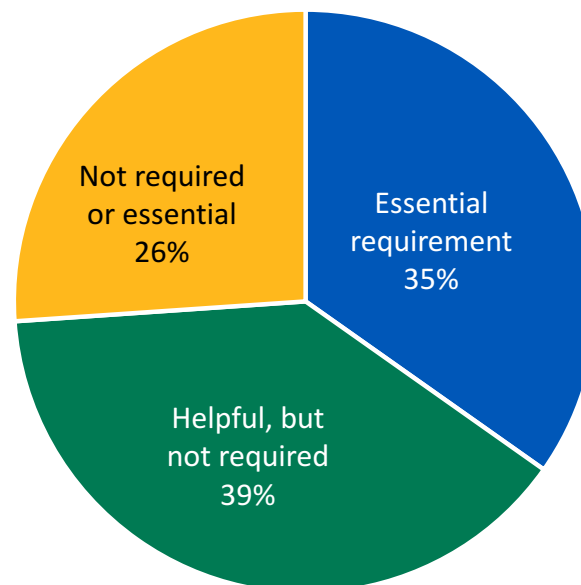
Across all organizations, cultural fit was reported to be an essential requirement when hiring recruiters. Only one-third reported that willingness to work in a physical office location was an essential requirement.

*To what degree are the following important when hiring recruiters?*

*Fit with organization's culture*

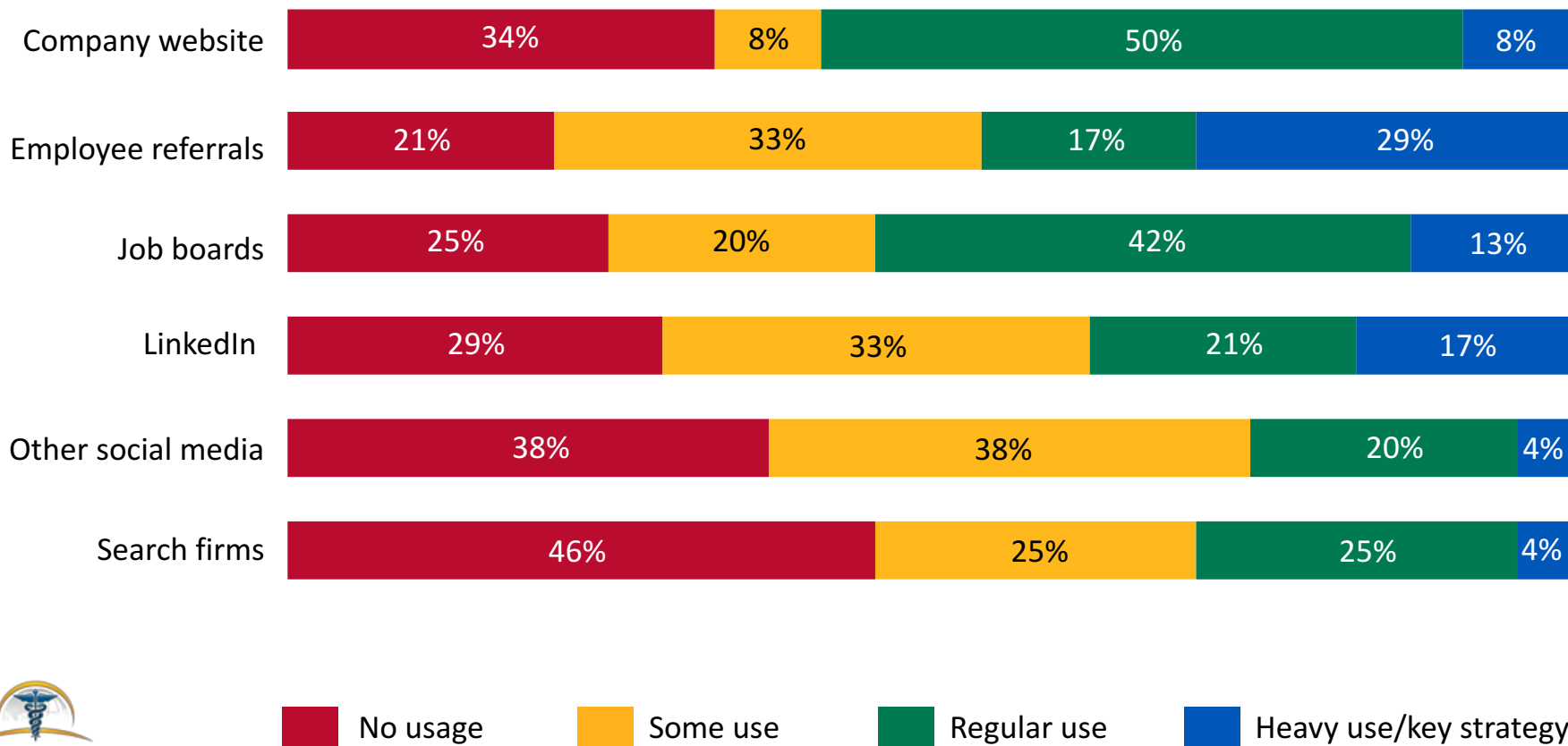


*Willing to work in physical office location*



## Lead sources used to hire physician recruiters: all organizations

Across all recruitment organizations, employee referrals, LinkedIn, job boards, and company website were reported as most frequently used in hiring physician recruiters



## About Staffing Industry Analysts (SIA)





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